

# **High Profile**

AU-R-000477 AU-R-000577

This entity qualifies for the Gold level tier of the Social Equity All-Star Program



## SOCIAL EQUITY PLAN 815/823 W. MICHIGAN AVE., KALAMAZOO, MICHIGAN AND 4037 S. WESTNEDGE AVE., KALAMAZOO, MICHIGAN QPS MICHIGAN HOLDINGS, LLC

(License #s AU-R-000477 and AU-R-000577)

### **Economic Benefits and Job Creation**

QPS Michigan Holdings LLC (the "Company") operates two (2) adult use cannabis retail stores at 815/823 W. Michigan Ave., Kalamazoo, Michigan and 4037 S. Westnedge Ave., Kalamazoo, Michigan. The Company has contributed to the Kalamazoo economy in a number of meaningful ways including, but not limited to, (i) creating a large number of living wage jobs and filling the vast majority of such positions from within the local community and/or the state of Michigan, (ii) significant local investment in real estate and construction, and (iii) philanthropy and community partnerships.

The Company performed a great deal of construction work at their current sites (including both interior buildout and broader site improvements to bring the entire site into code compliance). The Company spent over \$1,200,000 on the buildout and improvements at each site.

Currently, none of Company's workforce at either the W. Michigan Avenue and S. Westnedge locations have been disproportionately impacted by marijuana prohibition and enforcement. The Company has implemented an optional questionnaire during the application process to help us identify and prioritize candidates who have been negatively impacted by marijuana prohibition through the hiring process. The following image is an excerpt from our optional questionnaire regarding the foregoing.

Ar	e you at least 21 years of age? *
Th	e state of Michigan prohibits cannabis businesses from employing anyone under of the age of 21.
0	Yes
0	No
W	ere you referred by a current C3 Industries employee? If so, please list their name.
W	ere you ever disproportionately impacted by cannabis prohibition or enforcement?
	Industries is committed to promoting and encouraging participation in the cannabis industry from individuals who have an disproportionately impacted by cannabis prohibition and enforcement.
0	Yes
0	No
0	Prefer not to disclose

To increase the number of employees who have been subject to prior marijuana convictions, the Company will be prioritizing anyone who completes the optional questionnaire and discloses that they have been negatively impacted by marijuana prohibition. These individuals will be prioritized to be scheduled for the first-round interviews if they meet all other hiring requirements.

The Company will continue to provide employment opportunities to employees with prior marijuana convictions by ensuring they are not disqualified from the hiring process for those reasons. The Company will provide career advancement opportunities to all employees based on their work performance and not based on their prior convictions. The Company has created twenty four (24) jobs and a majority of its workforce is from the local community (specifically candidates that reside within the City of Kalamazoo), including minorities. The Company employs four (4) Managers and twenty (20) Operational employees. The jobs at the Company's W. Michigan Avenue and S. Westnedge locations have strong compensation (e.g., General Manager - \$63,000 per year; Assistant Manager - \$42,000 per year; Shift Lead \$36,400 per year; Inventory Specialist \$36,400 per year; and Sales Associate - \$29,120 per year).

All full-time employees are also offered robust benefits. The Company's benefit package includes, but is not limited to, health, dental and vision coverage. In addition, the Company's internal policy, outlined in its employee manual, highlights other benefits provided to Company employees, such as paid and floating holidays, paid time off, sick days and adherence to the federal Family and Medical Leave Act which provides employees up to twelve (12) weeks of leave due to family or personal medical issues, to include time off for maternity and paternity leave (all as described on page 3 of the Renewal Application, which is incorporated herein by reference).

The Company is committed to employing a diverse workforce. The Company's current workforce at the W. Michigan Avenue store is made up of nine (9) women (75% of the workforce) and five (5) minorities (42% of the workforce). The Company's current workforce at the S. Westnedge store is made up of eight (8) women (54% of the workforce) and five (5) minorities (41% of the workforce).

The Company is also committed to employing local Kalamazoo residents, as well as Michigan residents. Currently, between both facilities, fourteen (14) employees (or 58% of its workforce) are city of Kalamazoo residents and all twenty-four (24) are Michigan residents.

#### PHILANTHROPY & COMMUNITY PARTNERSHIP

The Company is deeply committed to creating a positive impact in the City of Kalamazoo and the surrounding region. The Company has devoted financial and human resources to support community outreach programs and key stakeholder groups, including local community organizations and law enforcement officials such as Kalamazoo Loaves & Fishes (local food

bank); Ministry with Community (daytime shelter); and Out Front Kalamazoo (pride).

In addition to financial contributions, the Company has provided human resources through having its employees volunteer and participate in local events/activities, including but not limited to Art Hop, Kwings minor league hockey and Ribfest. The Company has also sponsored specific events offered by local organizations, such as having a table/tent are Art Hop events; purchasing tickets to the Kwings minor league hockey games, as well as social media and digital billboard spots during the 2022 season; and providing handouts and promotional material during Ribfest 2022, as well as making a donation contribution of \$15,000.

The Company has been highly active within the City of Kalamazoo and will continue to identify ways to assist with enhancing neighborhood aesthetics, crime prevention and/or any other initiatives the community deems to be a priority.

The Company's management team has been committed to building and maintaining good relationships with all of its neighbors – including local business improvement districts, building owners, small businesses, and residents alike.

## CORPORATE SPEND PLAN 815/823 W. MICHIGAN AVE., KALAMAZOO, MICHIGAN AND 4037 S. WESTNEDGE AVE., KALAMAZOO, MICHIGAN QPS MICHIGAN HOLDINGS, LLC

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The following includes the primary components of QPS Michigan Holdings, LLC's (the "Company") corporate spending plan for its two (2) retail cannabis stores located at 815/823 W. Michigan Ave., Kalamazoo, Michigan (License No. AU-R-000477) and 4037 S. Westnedge Ave., Kalamazoo, Michigan (License No. AU-R-000577), which is designed to promote a network of:

- Disproportionately impacted minority owned businesses; and
- Any business located in a disproportionately impacted area approved and recognized by the CRA's social equity program located in the state of Michigan

The Company recognizes the importance of partnering with businesses and individuals that have been disproportionately impacted by the cannabis prohibition. The Company recognizes that actual change in a community must be more than just volunteer time and donations for substantive community change to occur.

The Company will actively solicit businesses to work together and form a network that ensures that all small businesses who are interested can continue to grow while purchasing and manufacturing products within our group, from each other. This network can help us all to promote our businesses, to grow our businesses and, in turn, grow our communities. Sharing resources, experience, success stories and tips, while buying and selling to each other will be good for all.

Our company values diversity in our supply chain as much as in our workforce and our local communities. Ideally, we would like our supply chain to reflect the diversity of our staff and the surrounding communities. We actively seek out and support diverse suppliers, particularly those owned by women, ethnic minorities, veterans, LGBTQ+, individuals with disabilities or past cannabis convictions. We give priority to quotes and opportunities from these suppliers whenever possible. These suppliers include, but are not necessarily limited to:

- The Roots Insurance (women owned business)
- Bricks & Mortar (women owned business)
- QPS Michigan Holdings LLC (minority owned business)
- Solid Lawn Care (minority owned business)
- Teresa's Kitchen (minority owned business)
- Loaves and Fishes
- Calexyum (minority women owned business)
- Kalamazoo Black Male Alliance

As mentioned above, the Company, which itself is a diverse business owned and operated by minorities, sources a significant amount of its product from its vertically integrated cultivation and manufacturing facilities in Michigan.

The Company recognizes the importance of addressing the challenges faced by the communities in which it operates. It is willing to invest its resources, both human and financial, to support initiatives that can bring positive change. To demonstrate its social responsibility and commitment, the Company pledges to allocate one percent (1%) of its annual operational budget to various community programs that aim to assist those who have been disproportionately impacted by cannabis prohibition.

As we grow as a company – we want the communities around us to grow too! We are committed to fair treatment, access, opportunity and advancement for all people while accounting for their diversity. This commitment extends beyond our Company and must be accounted for in our interactions and impact with the communities. We adhere to our social equity goals and work diligently to achieve them. This commitment is reflected in our interactions and impact with the communities around us.